Sustainability-related disclosure

Robeco QI Long/Short Dynamic Duration

This document provides you with information about this fund in relation to the Sustainable Finance Disclosure Regulation. It is not marketing material. The information is required by law to help you understand the sustainability characteristics and/or objectives and risks of this fund. You are advised to read it in conjunction with other relevant documentation on this fund so you can make an informed decision about whether to invest.

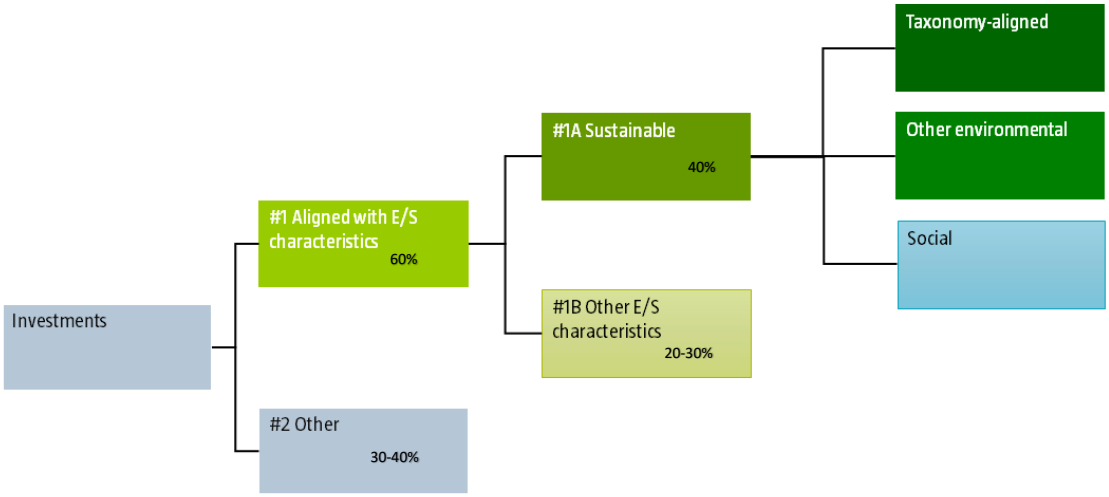
(b) No sustainable investment objective
This financial product promotes environmental or social characteristics, but does not have as its objective sustainable investment.
Where fund aims to make one or more sustainable investments explain how the indicators for adverse impacts in Table 1 of Annex I, and any relevant indicators in Tables 2 and 3 of that Annex I, are taken into account?
The fund considers principal adverse impacts on sustainability factors as referred to in Annex 1 of the SFDR Delegated Regulation. For credit-related investments, the following applies. Pre-investment, the following principal adverse impacts on sustainability factors are taken into account. o Via the applied normative and activity-based exclusions, the following PAIs are considered: - Exposure to companies active in the fossil fuel sector (PAI 4, Table 1) - Violations of the UN Global Compact Principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises (PAI 10, Table 1) - Activities negatively affecting biodiversity-sensitive areas (PAI 7, Table 1). The consideration of this PAI is currently restricted to applying exclusions to palm oil producing companies and for any breaches to the UNGC, UNGP and OECD Guidelines for Multinational Enterprises in relation to biodiversity. - Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons (PAI 14, Table 1) Post-investment, the following principal adverse impacts on sustainability factors are taken into account. o Via Robeco's entity engagement program, the following PAIs are considered: - All indicators related to Climate and other environment-related indicators (PAI 1-13, Table 1) - Violations of the UN Global Compact Principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises (PAI 10, Table 1). On an ongoing basis, the investment universe is scanned for controversial behavior in relation to the aforementioned principles and guidelines. - In addition, based on a yearly review of Robeco's performance on all mandatory and selected voluntary indicators, holdings of the Sub-fund that cause adverse impact might be selected for engagement. For investments in governments, the following applies. Pre-investment, the following principal adverse impacts on sustainability factors are considered. As part of Country Sustainability ranking, used for the fundamental analysis of bonds, the following PAIs are considered: - Table 1, PAI 15 (GHG intensity) - Table 1, PAI 16 (Investee countries subject to social violations) Post-investment, the following principal adverse impacts on sustainability factors are taken into account: - Via Robeco's entity engagement program, PAI 15 (GHG intensity, Table 1) is considered. More information is available via Robeco's Principal Adverse Impact Statement.
Are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights?
The sustainable investments are aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights via both Robeco's Exclusion Policy and Robeco's SDG Framework.

Date: 28/11/2022

(c) Environmental or social characteristics of the financial product
What are the environmental or social characteristics that the financial products promotes?
The Fund has the following E/S characteristics for investments in other than sovereign bonds: 1. The Fund promotes certain minimum environmental and social safeguards through applying exclusion criteria with regards to products and business practices that Robeco believes are detrimental to society and incompatible with sustainable investment strategies. Robeco deems investing in government bonds (federal or local) of countries where serious violations of human rights or a collapse of the governance structure take place as unsustainable. In addition, Robeco will follow applicable sanctions of the UN, EU or US to which it is subject and follows any mandatory (investment) restrictions deriving therefrom. 2. The Fund limits investing in companies with an elevated sustainability risk based on ESG risk scores whereas all such investments require separate approval of a dedicated committee that oversees that all investments are substantiated and eligible based on a fundamental review on the sustainability risk. 3. The Fund promotes adherence to and conducting business activities in accordance with the United Nations Universal Declaration of Human Rights, the International Labor Organization's (ILO) labor standards, the United Nations Guiding Principles for Business and Human Rights (UNGPs), the United Nations Global Compact (UNGC) and the OECD Guidelines for Multinational Enterprises, by scrutinizing companies that violate these principles. The Fund has the following E/S characteristics for investments in sovereign bonds: 4. The Fund promotes certain minimum environmental and social safeguards through applying exclusion criteria with regards to products and business practices that Robeco believes are detrimental to society and incompatible with sustainable investment strategies. Robeco deems investing in government bonds (federal or local) of countries where serious violations of human rights or a collapse of the governance structure take place as unsustainable. In addition, Robeco will follow applicable sanctions of the UN, EU or US to which it is subject and follows any mandatory (investment) restrictions deriving therefrom. 5. The Fund promotes investment in countries that perform well on the RobecoSAM Country Sustainability Ranking. The RobecoSAM Country Sustainability Ranking incorporates a wide range of ESG factors such as aging, corruption, social unrest, political risks and environmental risks. *6.* The Fund promotes investment in countries with policies and institutional frameworks to prevent and combat corruption.

(d) Investment strategy
What is the investment strategy used to meet the environmental or social characteristics promoted by the financial product?
Robeco QI Long/Short Dynamic Duration is an actively managed fund that invests mainly in bonds and similar fixed income securities with a short duration and takes active positive or negative duration (interest-rate sensitivity) positions. The duration positioning of the fund is fully based on a quantitative model. The strategy integrates sustainability indicators on a continuous basis as part of the bond selection process. Amongst others, the Fund applies norms-based and activity-based exclusions, Robeco's good governance policy and considers Principal Adverse Impacts in the investment process.
What is the policy to assess good governance practices of the investee companies, including with respect to sound management structures, employee relations, remuneration of staff and tax compliance?
Robeco has a Good Governance policy to assess governance practices of companies. Robeco's Good Governance policy applies to the Fund. For more information, refer to https://www.robeco.com/docm/docu-robeco-good-governancepolicy.pdf.

(e) Proportion of investments
Minimum Sustainable Investment:40%
Asset allocation table



(f) Monitoring of environmental or social characteristics
How are the environmental or social characteristics promoted by the financial product and the sustainability indicators used to measure the attainment of each of those environmental or social characteristics promoted by the financial product monitored throughout the lifecycle of the financial product and what are the related internal or external control mechanisms?
1. All exclusions are coded in the Trading & Compliance module, through which investing in an excluded asset is not possible. In addition, post-trade checks take place. 2. Financial Risk Management will monitor that all holdings with an elevated sustainability risk rating are substantiated. Every quarter, all holdings with elevated sustainability risk will be reviewed by the Controversy Committee and the committee can ask the portfolio manager for an update of the valuation case. 3. Engagement results are periodically assed by an internal and external audit. Unsuccessful engagement might lead to exclusion. All exclusions are coded in the Trading & Compliance module, through which investing in an excluded asset is not possible. In addition, post-trade checks take place. 4. All exclusions are coded in the Trading & Compliance module, through which investing in an excluded asset is not possible. In addition, post-trade checks take place. 5. The second line of defense (Risk Management) monitors the weighted average CSR score of the portfolio on a daily basis and facilitates pre-trade compliance. 6. The second line of defense (Risk Management) monitors the minimum required WGI Control of Corruption Ranking, and facilitates pre-trade compliance.

(g) Methodologies
What are the methodologies to measure how the social or environmental characteristics promoted by the financial product are met?
Robeco maintains comprehensive methodology documents of our proprietary analytical frameworks on our website. These whitepapers go into greater depth, provide further insight into data sources and processes applied within their respective domains. More information in relation to these methodologies can be found at https://www.robeco.com/en/key-strengths/sustainableinvesting/sustainability-reports-policies.html. In addition, for some social and environmental characteristics, Robeco relies on externally sourced content for which we aim to select the best of breed vendor for each of our target characteristics. Each vendor will have its own approach and set of internal processes, over which we have only limited influence as an end consumer. More information with regards to these methodologies can be found at https://www.robeco.com/docm/docu-robeco-sfdr-data-disclosures.pdf.

(h) Data sources and processing
• How are the data sources used to attain each of the environmental or social characteristics promoted by the financial product? • What measures are taken to ensure data quality? • How is data processed? • What is the proportion of data that are estimated?
The Fund uses the following data sources: 1. The exclusion process uses several data sources such as Sustainalytics, RSPO (Roundtable on Sustainable Palm Oil), World Bank, and Freedom House, Fund for Peace and International Sanctions. 2. The Fund's evalaution of sustainability risk is based on Sustainalytics data. 3. The enhanced engagement program uses data derived from the internal process. 4. The exclusion process uses several data sources such as Sustainalytics, RSPO (Roundtable on Sustainable Palm Oil), World Bank, and Freedom House, Fund for Peace and International Sanctions. 5. The Country sustainability ranking uses data from over 20 publicly available data sources such as IMF, OECD and World Bank (incl. Worldwide Governance Indicators Control of Corruption) as well as content from ISS and SanctIO. 6. The Fund uses the World Bank (incl. Worldwide Governance Indicators Control of Corruption) for the Corruption ranking. Robeco scrutinises the data quality of each provider during due diligence assessments, that includes reviewing the data model, performing statistical checks and evaluating coverage. Data processing takes places in different forms, the preference is always to have data acquisition as automated as possible to avoid any operational risks or unnecessary human intervention. It is currently complex to report sufficiently accurate yet broad numbers on the proportion of data that is estimated. Robeco has calculated the weighted proportion of assets covered per PAI within our standard equity and fixed income benchmarks. These figures have been calculated per provider and, where relevant, we used this coverage figure as a determining factor in our choice of vendor for that PAI since, ceteris paribus, we prefer higher coverage for our investible universe. Robeco intends to investigate a methodology for determining the proportion of data that has been internally enriched to support wider applications, e.g., by cascading to the broader corporate structure or using sector averages as proxies. Evaluating the proportion of vendor sourced data that is estimated remains a challenge due to insufficient metadata. More information Information in relation to data quality and processing can be found in the SFDR data disclosures available at https://www.robeco.com/en/key-strengths/sustainableinvesting/sustainability-reports-policies.html.

(i) Limitations to methodologies and data
What are potential limitations to the methodologies or data sources and how do such limitations not affect how the environmental or social characteristics promoted by the financial product are met?
The primary limitation to the methodology or data source is the lack of corporate disclosure. Like many other financial market participants, we struggle to find adequate information on the principal adverse indicators. To overcome this issue, we have resorted to using multiple data providers, since each has its own respective strengths and weaknesses. We do not expect the corporate reporting landscape to change significantly until the anticipated introduction of CSRD in 2025. In terms of methodology, we frequently see divergence in the way that data vendors deal with certain topics. For instance, for GHG emissions, some vendors blend corporate reporting with modelled data. It has been a common experience to note that 'reported' data can vary between providers due to conflicting policies, quality assurance and other case-by-case factors. We are not alone in this view as evidenced by the numerous reports from industry associations and trade bodies such as EuroSIF and IOSCO on the quality and transparency of ESG data products. Our environmental objectives are predominantly linked to more mature themes, specifically carbon, water and waste. Disclosure is far greater today within these areas and so we are able to evaluate a satisfactory proportion of our universe to be able to perform tasks such as exclusions and comparisons between portfolio and benchmark.

The primary limitation to the methodology or data source is the limited availability of accurate ESG data by countries. Additionally, data that is reported is delayed and not completely disclosed leading to coverage issues. Like many other financial market participants, we struggle to find adequate information on the principal adverse indicators. In terms of methodology, we frequently see divergence in the way that sovereigns report on environmental and social indicators such as GHG emissions and social violations given varying definitions and interpretations. We are not alone in such issues and to overcome them, we have resorted to using multiple data sources as available, since each has its own respective strengths and weaknesses.
Information in relation to data and methodologies can be found in the SFDR data disclosures document available at: https://www.robeco.com/en/key-strengths/sustainableinvesting/sustainability-reports-policies.html

(j) Due diligence
What due diligence is carried out on the underlying assets of the financial product (including the internal and external controls)?
Robeco has incorporated the sustainability aspects of the investment strategies into adequate investment due diligence processes and procedures for the selection and monitoring of investments, amongst others taking into account Robeco's risk appetite and sustainability risk management policies. Specific details on investment due diligence are available in Robeco's Investment Due Diligence Policy as described at https://www.robeco.com/docm/docu-robeco-sustainability-risk-policy.pdf.

(k) Engagement policies
What is the engagement policy applied, in the case that engagement is part of the environmental or social investment strategy (including any management procedures applicable to sustainability-related controversies in investee companies)?
The holdings of the fund are subject to Robeco's enhanced engagement program, that focuses on companies that severely breach minimum standards which Robeco has set out in terms of corporate behavior, climate and biodiversity. In evaluating corporate behavior, we expect companies to comply with internationally accepted codes of conduct for corporate governance, social responsibility, the environment and transparency such as the UN Global Compact and OECD Guidelines for Multinational Enterprises. In the areas of climate change and biodiversity, we expect companies to make sufficient progress against Robeco's climate traffic light score or against the RSPO certification, respectively. The process for enhanced engagement theme selection is a formal part of our exclusion policy. Enhanced Engagement program includes the themes 'Global controversy', 'Acceleration to Paris', and 'Palm oil'. In addition, the holdings of the fund are subject to the selection process of Robeco's value engagement program, that consists of a constructive dialogue between investors and investee companies to discuss how they manage ESG risks and opportunities, as well as stakeholder impact. Although this type of engagement is not directly related to the environmental or social investment strategy of the fund, it can be that adverse sustainability impacts are addressed via the value engagement program. More information can be found in Robeco's Stewardship Policy.

(l) Designated reference benchmark
Has an index has been designated as a reference benchmark to meet the environmental or social characteristics promoted by the financial product? If yes, how that index is aligned with the environmental or social characteristics promoted by the financial product, and where can one find information with regards to input data, methodologies used to select those data, the rebalancing methodologies and index calculations?
There is no reference benchmark designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.